

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF LEVEE ROAD WATER) CASE NO. 2011-00278
ASSOCIATION)

ORDER

On July 19, 2011, Levee Road Water Association (“Levee Road”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Levee Road purchases water from the city of Mount Sterling, Kentucky (“Mount Sterling”).
2. On May 1, 2011, Mount Sterling increased its volumetric wholesale rate to Levee Road from \$2.07 per 1,000 gallons to \$2.34 per 1,000 gallons.
3. On July 14, 2011, the members of Levee Road’s Board of Directors voted to increase Levee Road’s rates, effective August 1, 2011, commensurate with the increase in Mount Sterling’s wholesale rate.
4. Levee Road proposes a purchased water adjustment factor of \$0.34 per 1,000 gallons.
5. During the 12 months ending May 31, 2011, Levee Road purchased 53,462,029 gallons of water from Mount Sterling and sold 43,020,856 gallons of water.

¹ KRS 278.012; 807 KAR 5:068.

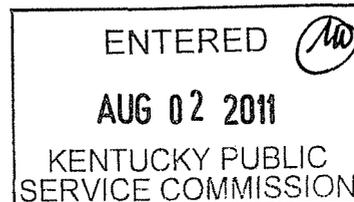
The increase in the cost of purchased water is \$14,434.74, resulting in a purchased water adjustment factor of \$0.34 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.34 per 1,000 gallons is fair, just, and reasonable and should be approved.

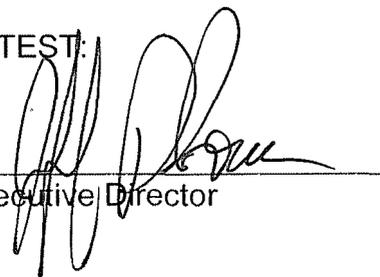
IT IS THEREFORE ORDERED that:

1. Levee Road's proposed rates are approved.
2. The purchased water adjustment factor of \$0.34 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for services rendered on or after August 1, 2011.
4. Within 20 days of the date of this Order, Levee Road shall file with the Commission a revised tariff sheet showing the rates approved herein.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00278 DATED **AUG 02 2011**

	New Rate	Base Rate
Mount Sterling		
Purchases in gallons	53,462,029	53,462,029
Volumetric rate	<u>\$2.34 /1,000</u>	<u>\$ 2.07/1,000</u>
	\$125,101.15	\$110,666.40
	Increased water cost	\$14,434.75
Increased water cost		\$14,434.75
Divided by gallons sold		<u>43,020,856</u>
Purchased water adjustment factor		\$0.34 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00278 DATED **AUG 02 2011**

The following rates and charges are prescribed for the customers in the area served by Levee Road Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	1,000 gallons	\$10.89	Minimum Bill
Next	2,000 gallons	4.49	per 1,000 gallons
Next	3,000 gallons	3.79	per 1,000 gallons
Next	19,000 gallons	3.04	per 1,000 gallons
Next	25,000 gallons	2.69	per 1,000 gallons
Over	50,000 gallons	2.39	per 1,000 gallons
Commercial Hauler		\$4.77	per 1,000 gallons
Any Individual who has a Private Loading Unit		\$4.77	per 1,000 gallons
All Water purchased from Water Coin Vendor		\$5.27	per 1,000 gallons

Brenda Murphy
Director
Levee Road Water Association, Inc.
P. O. Box 770
Mt. Sterling, KY 40353